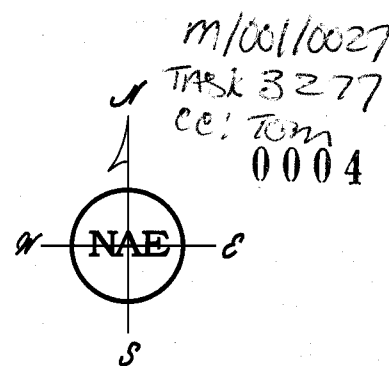


NORTH AMERICAN EXPLORATION, INC.

MINERAL EXPLORATION SERVICES



November 24, 2009

Mr. Paul Baker
Division Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Baker:

Reference is made to the Basin Perlite's, Pearl Queen Mine, Large Mine Operation located in Beaver County (M/001/0027).

A large portion of the Pearl Queen Pit area was graded, ripped and seeded. A partial release of the surety for the grading work was granted reducing the current surety to about \$80,000. An Application for Site and/or Bond Release was submitted on June 1, 2009 requesting an additional release of surety in the amount of \$12,200 for re-vegetation work. This request was denied in a letter dated July 30, 2009.

We have since conducted a detailed GPS survey of the area, met with Tom Munson and recalculated the amount of surety required using the original Reclamation Surety estimated. We are submitting another Application requesting a release of surety in the amount of \$22,300. To support this request we are submitting the following information for your review.

1. Map showing the areas included within the Large Mine Operation.

* 0.75	acres	Haul road Pearl Queen Pit
* 10.20	acres	Reclaimed Pearl Queen Pit
* 7.60	acres	Undisturbed land Pearl Queen Pit
* 1.50	acres	To be reclaimed Pearl Queen Pit
20.05	acres	Subtotal
* 1.20	acres	Undisturbed road
* 12.10	acres	To be reclaimed School Pit
33.35	acres	Grand Total
14.35	acres	To be reclaimed both Pits

RECEIVED

DEC 01 2009

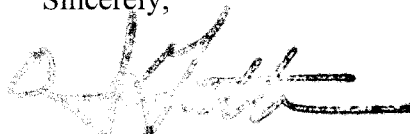
DIV. OF OIL, GAS & MINING

Note: Original area to be reclaimed in the Pearl Queen Pit was 19.3 acres which did not include 0.75 acres for the haul road.

2. Reclamation Surety Estimate 3/25/03 for NOI in the amount of \$133,200
3. Authorization Letter to reduce CD for reclamation 2/27/04 to \$79,941
4. Authorization Letter to reduce CD for reclamation 10/30/07 to \$66,382
5. Escalation of Reclamation Surety letter 4/18/08 increasing surety to \$80,000
6. Denial of Bond Release Request 7/30/09
7. Inspection Report DOGM 7/20/09
8. Reclamation Surety Estimate 11/23/09 in the amount of \$57,700 to reclaim 14.35 acres

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "O. Jay Gatten", written over a horizontal line.

O. Jay Gatten

Enclosures

Cc: Correspondence (no encls)
Project (w/encls)
Tim Mosey – Basin Perlite (w/encls)

Application for Site and/or Bond Release

Operator/Permittee: <u>BASIN PERLITE COMPANY</u>	
Mine/Project Name: <u>PEARL QUEEN MINE</u>	
File Number: <u>M/001/0027</u>	
Check One: <input checked="" type="checkbox"/> Large Mine <input type="checkbox"/> Small Mine <input type="checkbox"/> Exploration	
Check one: <input type="checkbox"/> Partial Release of a <u>portion</u> of the mine site: Acres to be released: _____ Acres Remaining: _____ Specify Area: _____	
<input checked="" type="checkbox"/> Full Release of a <u>portion</u> of the mine site: Acres to be released: <u>19.0</u> ^{14.35 acres} Remaining Specify Area: <u>10.2 ac seeding, 7.6 ac undisturbed, 1.2 ac undisturbed road</u> (A new map will need to be provided for the Notice or plan removing the released area from the disturbed or bonded area.)	
<input type="checkbox"/> Partial Release of entire mine site: Total Acres to be released: _____ (Backfilling and grading are completed)	
<input type="checkbox"/> Full Release of entire mine site: Total Acres to be released: _____ (Vegetation is established and has survived three growing seasons.)	
Amount of Existing Surety: <u>\$80,000</u>	
Amount of Surety requested for release: <u>\$22,300</u>	
Reason for Bond Release Request: <u>1. Seeding complete 10.2 ac part Pearl Queen Pit</u> <u>2. Undisturbed 7.6 ac part Pearl Queen Pit</u> <u>3. Undisturbed 1.2 ac. road between pits</u>	
Complete this section if the money released from this application is to be used as surety for future disturbance. Release bond on: _____ Acres (specify area) _____ Apply Bond to: _____ Acres (specify area) _____	
Check Applicable Boxes	DESCRIPTION of RECLAMATION ACTIVITIES COMPLETED (Describe any variance(s) that have been granted, date activity completed)
<input type="checkbox"/> Wells Plugged / shafts sealed	
<input type="checkbox"/> Disposal of debris & other materials incident to mining	

RECEIVED

DEC 01 2009

	Drainages, reestablished & stable	
	Structures demolished / removed	
X	Regrading Completed – Slopes, pits, highwalls in stable condition	MAIN PORTION OF PEARL QUEEN PIT SEE ATTACHED MAP (10.2 ac)
X	Meets Postmining Land Use (Indicate Landuse)	WILD LIFE HABITAT LIVE STOCK GRAZING
	Roads Reclaimed	
	Dams, Impoundments, Ditches, Pits reclaimed	
X	Topsoil respread – amendments added	MAIN PORTION OF PEARL QUEEN PIT SEE ATTACHED MAP (10.2 ac)
	Erosion Controlled	
X	Vegetation meets 70% of premining cover and has survived three years for full bond release – or has survived one year growing season to maintain small mine status.	MAIN PORTION OF PEARL QUEEN PIT SEE INSPECTION REPORT 7/20/09

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

D. JAY GATTEN
Print Name

D. J. Gatten owner - part
Sign Name, Position Consultant

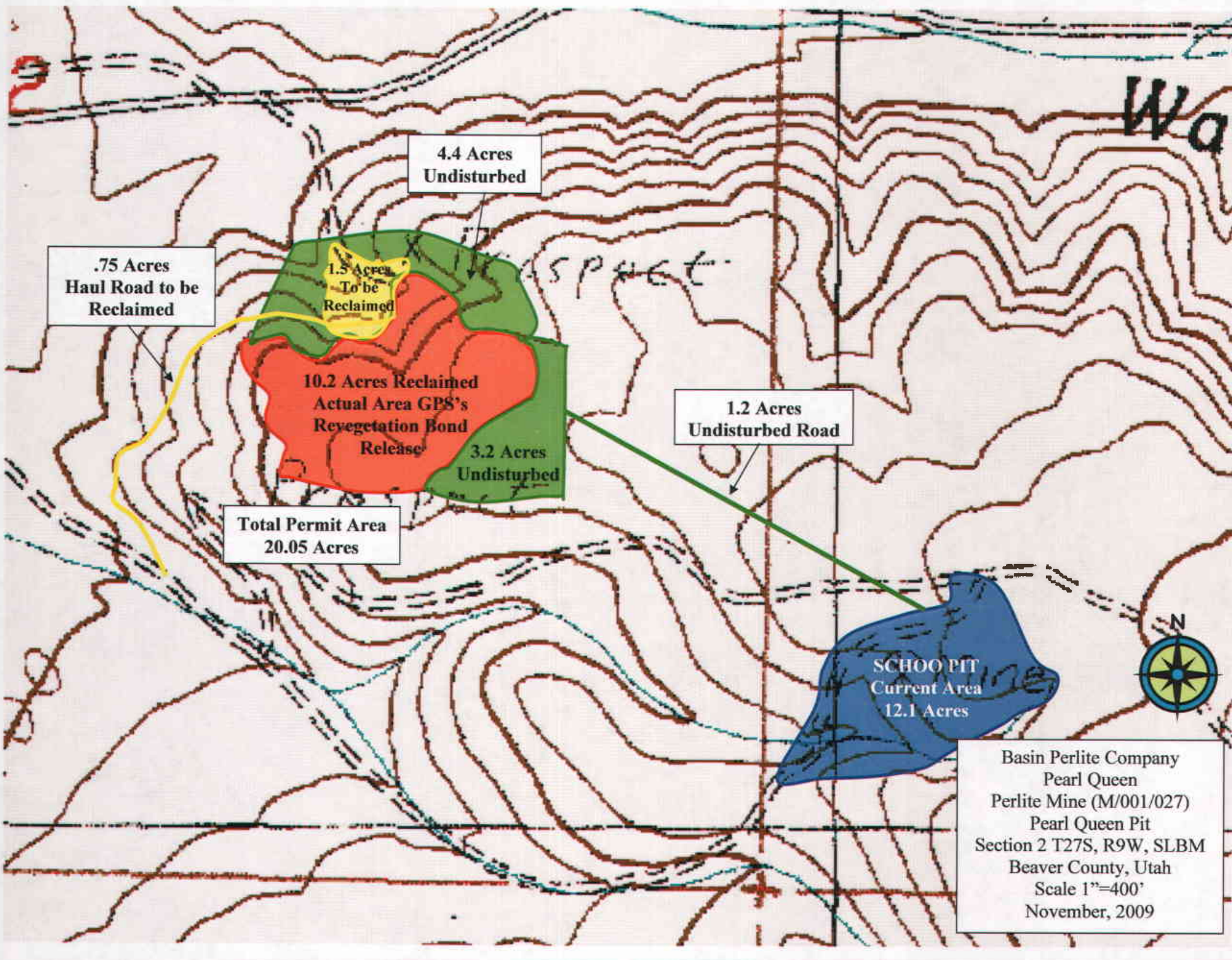
November 23, 2009
Date

Return to:

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

FOR DOGM USE ONLY:	
File #:	M/ /
Approved:	_____
Bond Adjustment: from (\$)	_____
to \$	_____

O:\FORMS\Bonding Forms\Bond-Release\site-bond-release-applic.doc



.75 Acres
Haul Road to be
Reclaimed

4.4 Acres
Undisturbed

1.5 Acres
To be
Reclaimed

10.2 Acres Reclaimed
Actual Area GPS's
Revegetation Bond
Release

3.2 Acres
Undisturbed

Total Permit Area
20.05 Acres

1.2 Acres
Undisturbed Road

SCHOOL PIT
Current Area
12.1 Acres



Basin Perlite Company
Pearl Queen
Perlite Mine (M/001/027)
Pearl Queen Pit
Section 2 T27S, R9W, SLBM
Beaver County, Utah
Scale 1"=400'
November, 2009

APPROVED

MAY 28 2003

DIV. OIL GAS & MINING

RECLAMATION SURETY ESTIMATE					
Basin Pearlite Company	last revision		03/25/03		
Pearl Queen Pearlite Mine	filename M001-027.xls				
M/001/027	Beaver County				
Prepared by Utah State Division of Oil, Gas & Mining					
-This site will be permitted for 33.86 acres - only 28.71 acres is permitted to be disturbed thru 2007					
-Bond calculations covers only 28.71 acres					
Note: actual unit costs may vary according to site conditions			last unit cost update 10/07/02		
--Amount of disturbed area which will receive reclamation treatments = 28.71			acres		
-Estimated total disturbed area for this mine =			28.71 acres		
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	2	Sum	200	400	(1)
Regrading waste dump slopes	8500 CY		0.5	4250	(8)
Ripping dumps & pit areas (prior to overburden placement)	27.51 acre		246	6767	(9)
Creating safety berms or barriers around highwalls	5000 LF		0.16	800	(10)
Regrading access roads - dozer	1.2 acre		246	295	(9)
Sidecast mtl replacement of steep slopes - trackhoe	1000 LF		1.16	1160	(11)
overburden replacement (1.5 foot depth/27.51 acres)	66575 CY		0.5	33288	
Topsoil replacement - dozer (one foot depth/27.51 acres)	44400 CY		0.5	22200	(12)
Ripping site prior to seeding	27.51 acre		246	6767	
Composted manure (10 ton/acre)	27.51 acre		150	4127	(00)
Broadcast seeding	28.71 acre		240	6890	(00)
Cost to haul 1000 tons of pearlite waste from millsite	1 lump sum		3000	3000	
General site cleanup & trash removal	13 acre		50	650	(00)
Equipment mobilization	2 equip		2000	4000	(00)
Reclamation supervision -10% of reclamation estimate				10405	(15)
	Subtotal			105000	
10% Contingency				10500	
	Subtotal			115499	
Escalate for 5 years at 2.89% per year				17683	
	Total			133182	
Rounded surety amount in year 2008 \$				133200	
Average cost per disturber acre =		4639			

As per Doug Jensen - DOGM

RECLAMATION SURETY ESTIMATE - D8R

Basin Perlite Company
 Pearl Queen
 DOGM file Number M/001/027
 Prepared by Doug Jensen

last revision 11/30/2009
 file: MINE-BOND.xls
 page "estimate D8"
 Beaver County

PASSWORD
 doug

Reclamation Details

This site was permitted & bonded to disturb 28.71 acres through 2007 this included both the Pearl Queen and Schoo Pits. In 2004, as a result of the reclamation of a portion of the Pearl Queen pit, a partial release was granted reducing the bond to \$79,941, a portion of the bond was retained for revegetation success. This surety was further reduced to \$66,382 on 10/30/07 escalated to \$80,000 on 4/18/08. This surety estimate eliminates bonded areas surrounding the Pearl Queen pit which were never disturbed and assumes that the vegetation portion of the Pearl Queen pit bond will be released.

Items left to reclaim: Remaining Pearl Queen waste dump will receive one foot of soil and 1 1/2 feet of overburden material & Schoo pit waste dumps will receive one foot of a combination of soil and perlite overburden.

Note: actual unit costs may vary according to site conditions last unit cost update 10/25/09

-Amount of disturbed area which will receive reclamation treatments = 14.35 acres

-Estimated total disturbed area for this mine = 14.35 acres

Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	2	sum	200	400	(1)
Demolition of buildings & facilities	0	CF	0.33	0	(2)
Debris & equipment removal - trucking	0	trips	63.00	0	(3)
Debris & equipment removal - dump fees	0	ton	110.00	0	(4)
Debris & equipment removal - loading trucks w/FE loader	0	hour	245.50	0	(5)
Demolition & debris removal - general labor	0	hour	49.00	0	(6)
Regrading facilities areas - D8R (2ft depth)	0	acre	1463.00	0	(7)
Regrading - D8R dozer COST PER HOUR	0	hour	233.00	0	(7h)
Regrading waste dump slopes - D8R dozer	6500	CY	0.50	3250	(8)
Ripping waste dump tops - D8R dozer	0	acre	361.00	0	(9)
Ripping site prior to seeding - D8R dozer	13.6	acre	246.00	3346	(9)
Ripping pit floors - D8R dozer	0	acre	361.00	0	(9)
Ripping pit access roads - D8R dozer (2ft depth)	0	acre	682.00	0	(9)
Ripping - D8R dozer COST PER HOUR	0	hour	361.00	0	(9h)
Creating safety berms or barriers around highwalls -D8R	0	LF	0.22	0	(10)
Ripping access roads- D8R dozer		acre	361.00	0	(9)
Regrading access roads - D8R dozer	0	acre	697.18	0	(7)
Sidecast mtl replacement of steep slopes - trackhoe	1000	LF	1.16	1160	(11)
Sidecast mtl replacement- trackhoe COST PER HOUR	0	hour	378.00	0	(11h)
Surface drainage restoration or construction	0	LF	0.23	0	(10)
Topsoil replacement - D8R dozer	15434	CY	0.50	7717	(8)
Topsoil replacement - scraper	23151	CY	0.50	11576	(12)
Topsoil replacement - scraper COST PER HOUR	0	hour	446.00	0	(12h)
Topsoil replacement - truck only, 2 mi round trip	0	CY	3.27	0	(13)
Topsoil replacement - loading trucks - FE loader	0	CY	0.56	0	(14)
Topsoil replacement - FE loader COST PER HOUR	0	hour	176.33	0	(14h)
Mulching (2 ton/acre alfalfa/straw)	0	acre	400.00	0	(00)
Fertilizing (100 lb/acre diammonium phosphate)	0	acre	100.00	0	(00)
Composted manure (10 ton/acre)	13.6	acre	350.00	4760	(00)
Broadcast seeding	13.6	acre	280.00	3808	(00)
Drill Seeding	0	acre	280.00	0	(00)
Hydroseeding	0	acre	930.00	0	(00)
General site cleanup & trash removal	7	acre	100.00	700	(00)
Equipment mobilization	2	equip	2000	4000	(00)
		Subtotal		40716	
Reclamation supervision -10% of reclamation estimate				4072	(15)
		Subtotal		44788	
10% Contingency				4479	
		Subtotal		49266	
Escalate for 6 years at 2.89% per year				7543	
		Total		56809	

Rounded surety amount in year 2011 \$

\$56,800

Average cost per disturbed acre =

3959



OLENE S. WALKER
Governor
GAYLE F. McKEACHNIE
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

February 27, 2004

CC COL 7

Wells Fargo Bank, Northwest N.A.
326 South Main Street
Milford, Utah 84751
(435) 387-2489

RECEIVED

FEB 16 2004

DIV OF OIL GAS & MINING

Attention: Pancho Chavez, Branch Manager

Subject: Reclamation Surety, Certificate of Deposit for Basin Perlite Company's Pearl Queen Mine Site, M/001/027, Beaver, County, Utah
Certificate of Deposit No. [REDACTED] Principal Amount, \$74,941

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank (Bank), regarding the control, redemption, and release of Bank's above-described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Pearl Queen Perlite Mine (Mine Site), Beaver County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$74,941.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division), the United States Department of the Interior - Bureau of Land Management (USDOI - BLM) and the School and Institutional Trust Lands Administration (SITLA), upon demand in the event that the operator of the Mine Site is unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Basin Perlite Company, a Colorado corporation, ("Owner"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining, the USDOI - BLM and SITLA and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by both the Director of the Division

and the authorized officers of the USDOl – BLM and SITLA. All interest accrued on this CD will be reinvested into the CD account.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining, the authorized officers of the USDOl – BLM and SITLA to the Bank. Upon the instruction and demand of the Director and authorized officers of the USDOl – BLM and SITLA the full initial amount of the CD plus any accrued interest shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officers of the USDOl – BLM and SITLA may redeem the CD.

COPY

Release:

The bank shall release the CD only upon the written instruction of the Director of the Division and the authorized officers of the USDOl – BLM and SITLA to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be reinvested in the CD account, until such time as the beneficiaries may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$74,941.00, plus all accrued interest. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be reinvested in the CD account, until such time as the beneficiaries may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$74,941.00, plus all accrued interest. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

Bank will not be held liable for any dispute between the parties.

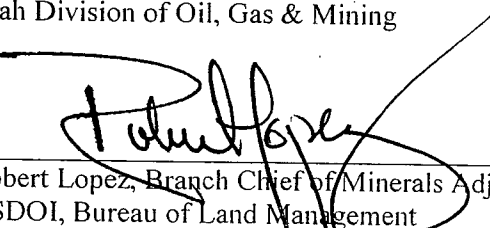
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Agreed Upon By:




Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

Date: 3-16-04



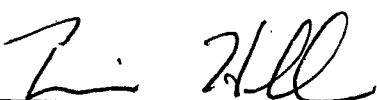
Robert Lopez, Branch Chief of Minerals Adjudication
USDOI, Bureau of Land Management


Date: 3/9/04




Kevin S. Carter, Director
School and Institutional Trust Lands Administration

Date: 10 Mar 04



Tim Hall, President
Basin Perlite Company
Tax ID Number: 

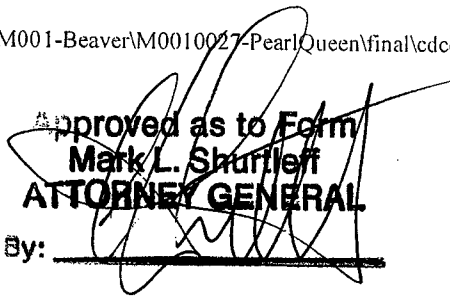
Date: 3/2/4



Pancho Chavez, Branch Manager
Wells Fargo Bank

Date: 3-3-04

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Approved as to Form
Mark L. Shurtliff
ATTORNEY GENERAL

By: _____



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

October 30, 2007

Pancho Chavez, Branch Manager
Wells Fargo Bank, Northwest N.A.
326 South Main Street
Milford, Utah 84751

Subject: Authorization for Amount Reduction of Certificate of Deposit (CD), Basin Perlite Company, Pearl Queen Perlite Mine, M/001/027, Beaver, Utah

Dear Mr. Chavez,

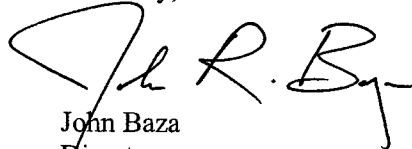
Wells Fargo Bank is presently holding a Certificate of Deposit (CD), account number _____, for the benefit of the State of Utah, Division of Oil, Gas and Mining, and the Bureau of Land Management as a form of reclamation surety for Basin Perlite Company for their Pearl Queen Perlite Mine.

The Operator, Basin Perlite Company, have performed their obligations under the terms of the agreement therefore:

- The Division authorizes First Interstate Bank to reduce the CD amount by \$8559.00;
- The unconditional control of the CD shall not be returned to the Owner;
- The terms and conditions associated with the CD Letter Agreement are still in effect;
- The Division requires a balance of \$66,382.00 in the CD account.

If you have any questions or require further discussion regarding the content of this letter, please contact Mr. Jed Pearson (801) 538-5382.

Sincerely,



John Baza
Director

MAW:JP:pb

enc: CD letter agreement,

cc: Tim Mosley, Basin Perlite Company 1400 16th St. Suite 200, Denver, CO 80202
Tom Munson, OGM
Susan White, OGM
Mary Ann Wright, OGM
Jed Pearson, OGM
Opie Abeyta, BLM
John Blake, SITLA

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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 18, 2008

Mr. Tim Mosely
Basin Perlite Company
1400 16TH Street, Suite 200
Denver, CO 80202

Subject: Escalation of Reclamation Surety to the Year 2013, Basin Perlite Company, Pearl Queen Perlite Mine, M0010027, Beaver County, Utah

Dear Mr. Mosely:

The Division has escalated the obligated surety amount of \$66,382.00 in 2007 dollars, to the year 2013. The escalation rate is 3.8%, resulting in a surety requirement of \$80,000.00. This increased amount is based on escalation only.

Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit this increased amount of \$13,618.00. ***In addition, a new reclamation contract will be required.***

This increased surety amount and new reclamation contract is due by June 6, 2008.

Furthermore, the Notice of Intention to Conduct Mining Operations does require modification and changes to the surety calculation to reflect the required bond amount of \$66,382.00. The 2003 NOI surety obligation is \$133,200.00. Please contact the Division to arrange a meeting to identify the requirements and update the NOI.

If you have any questions concerning this letter, please contact me at (801) 538-5258.

Sincerely,

Susan M. White
Mining Coordinator
Minerals Regulatory Program

SMW:BE:pb

cc: Jed Pearson DOGM

Tom Munson OGM

Beth Ericksen OGM

BLM - Opie Abeyta

USFS (Beaver county) 1789 N Wedgewood Ln, Cedar City UT

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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

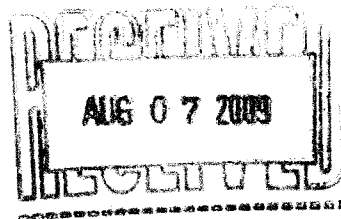
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 30, 2009



Tim Mosey
Basin Perlite Company
1400 16TH Street, Suite 200
Denver, Colorado 80202

Subject: Denial of Bond Release Request, Basin Perlite Company, Pearl Queen Perlite Mine, M0010027, Beaver, County, Utah

Dear Mr. Mosey:

The Division is denying the release of any bond money at this time but is releasing the area in question. The operator needs to first submit an amendment to the large mine plan that addresses the remaining disturbance, so the Division can be assured that adequate bond remains to reclaim the site. This assessment needs to include the road to the Pearl Queen Pit, the north-facing dump at the top of this road, the road to the Schoo Pit and the Schoo pit. The north side dump associated with the road to the Pearl Queen Mine needs better reclamation and revegetation and needs to be included for this reason. Once the assessment of the remaining disturbance has been completed and the amount of bond determined to reclaim the remaining disturbance, a new bond release request can be submitted.

If you have any questions concerning this letter, please contact me at (801) 538-5258.

Sincerely,

Paul Baker
Minerals Program Manager

PB:tm:vs

Attachment: inspection report

cc: Penny Berry DOGM

ed_ginouves@blm.gov

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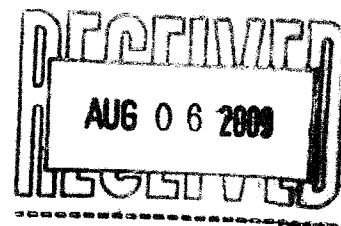


JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director



Inspection Report
Minerals Regulatory Program
Date: July 20, 2009

Reviewed: CR

Mine Name: Pearl Queen Perlite Mine	Permit Number: M0010027
Operator Name: Basin Perlite Company	Inspection Date: 07/01/2009
Inspector(s): Brett Gregory for Tom Munson	Time: 12:30 pm
Other Participants: None	Mine Status: Active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bond Amount: \$74,941.

Amount requested for release: \$12,200.

Permit fee: Current.

Purpose of Inspection: This was primarily a revegetation inspection for partial bond release of 10.2 acres. The access road and gate removal will be another inspection at a later time.

Inspection Summary:

- 1) The operator has asked for \$12,200 dollars to be released from the \$74,941 bond the division currently holds. It should be noted the Division's previous release of \$26,720 (for contour and regrading) had probably been less than the previously calculated amount available of \$35,279 - due to closing out only one CD and leaving the other in place.
- 10) My inspection supports the release of the 10.2 acres in question, mainly because the operator has met the 70% revegetation requirement in the rules. Most of what was growing was consistent with the seed mix used and can be validated by the few plants documented below in this report.

Conclusions and Recommendations: We are denying the release of any bond money at this time but are releasing the area in question. The operator needs to first submit an amendment to the large mine plan that addresses the remaining disturbance, so the Division can be assured that adequate bond remains to reclaim the site. This assessment needs to include the road to the Pearl Queen Pit, the north-facing dump at the top of this road, the road to the Schoo Pit and the Schoo pit. The north side dump associated with the road to the Pearl Queen Mine needs better reclamation and revegetation and needs to be included for this reason. Once the assessment of the remaining disturbance has been completed and the amount of bond determined to reclaim the remaining disturbance, a new bond release request can be submitted.

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I do suggest the operator consider commencing reclamation of the Schoo pit as well as any access roads associated in the mining operation, since the operation currently is not being mined. The operator needs to provide the Division with a good reason for leaving this site unreclaimed.

Inspector's Signature



BG:vs

cc: Tim Mosey

John Blake, SITLA

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Growth success. (Mainly grasses and Forbs, very few shrubs.)



Wyoming Big Sage or Winter-fat?



Penstemon.



Grasses and Forbs. (Tumble Mustard?)



Blazing Star.



The north side-dumps need to be revegetated.



Haul road to be reclaimed.



The gate can be removed.